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COMMISSION ON TRANSNATIONAL CORPORATIONS
Intergovernmental Working Group of
Experts on International Standards
of Accounting and Reporting
Ninth session
5-15 March 1991
Agenda item 5

ADOPTION OF THE REPORT OF THE GROUP ON ITS NINTH SESSION

Draft report

Addendum

Rapporteur: G. G. M. BAK (Netherlands)

ORGANIZATION OF THE SESSION

A. Opening and duration of the session

3. At its first meeting, on 5 March 1991, the Executive Director of the United Nations Centre on Transnational Corporations spoke about the interrelationships between foreign direct investment, governance and international accounting standards. He noted that foreign direct investment had grown at an unprecedented rate during the 1980s and had surpassed the growth in exports and gross national product. Outflows of foreign direct investments amounted to more than \$US 196 billion in 1989 and grew at an annual rate of 30 per cent from 1983 to 1989. However, only 17 per cent of those outflows had found their way to developing countries, an annual average of \$US 29 billion. Ten countries accounted for three fourths of that amount. The unprecedented growth in foreign direct investments reinforced the need for a multilateral framework for foreign direct investment and raised anew the broader issue of governance in a world economy in which investment, trade, technology and financial flows were intertwined. Such a framework should include adequate international standards on information disclosure.
